RURAL OPPORTUNITY ZONE PROGRAM

**State of Kansas
Fiscal Year 2016 Guidelines**

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Table of Contents   **Page**

INTRODUCTION

The Rural Opportunity Zone Program facilitates the population growth of rural Kansas communities in 77 designated counties through the use of tax relief and student loan reimbursement. Under this program, qualified individuals could be eligible to receive Kansas state income tax abatements and student loan reimbursements provided by both the county and state on a matched basis.

The Director of the Business and Community Development Division of the Kansas Department of Commerce is responsible for the program. The Director establishes criteria, subject to the provisions of the statute, to determine eligibility of resident individuals.

HOW DOES IT WORK?

The Kansas Legislature has designated 77 counties as Rural Opportunity Zones, which means individuals who move into the county could be eligible for tax credit abatements and student loan reimbursements. The tax and student loan benefits are mutually exclusive; eligibility for one does not guarantee eligibility for the other.

Income Tax Abatements: Qualified individuals will receive a credit for the entirety of their Kansas State income tax liability for any year in which they qualify (see below) beginning in taxable year 2012 and ending in taxable year 2022.

Describe Student Loan benefits: Qualified individuals will receive student loan payments in equal shares over a maximum term of 5 years. The annual payments will be equal to 20% of the individual's outstanding student loan balance up to a maximum of $15,000.

WHO QUALIFIES FOR INCOME TAX ABATEMENTS?

In order to qualify for Kansas state income tax abatements a resident individual must satisfy the following conditions:

1. Establish residency in a Rural Opportunity Zone county on or after the date on which the county became part of the program and prior to January 1, 2021 after having lived outside the State of Kansas for 5 or more years immediately prior to establishing residency in the Rural Opportunity Zone County.

2. Earned less than $10,000 in Kansas source income in each of the 5 years immediately prior to establishing residency in a Rural Opportunity Zone County.

3. Maintain residence in the Rural Opportunity Zone County for the entire taxable year for which the tax credit is claimed.

WHO QUALIFIES FOR STUDENT LOAN REIMBURSEMENTS?

In order to qualify for student loan reimbursements a resident individual must satisfy the following conditions:

1. Establish residency in a Rural Opportunity Zone county on or after July 1, 2011 and on or after the date on which the Rural Opportunity Zone County opts to participate in the Student Loan Assistance component of the Rural Opportunity Zone program. ***Not all Rural Opportunity Zone Counties currently participate in the Student Loan Repayment program. For a complete list of participating counties please visit the ROZ page at www.kansascommerce.com***.

2. Individual must have obtained an associates, bachelors, or post-graduate degree prior to establishing residency and applying for student loan assistance eligibility.

3. Individual must have a current outstanding student loan balance.

STUDENT LOAN ASSISTANCE PAYMENT PROCEDURE

The student loan payments will be paid on an annual basis. Rural Opportunity Zone Counties will provide 50% of the student loan payment with the State of Kansas providing the remaining 50% match. All student loan payments will be made directly to approved ROZ participants as provided in the qualified resident individual's eligibility application.

(See Attachment A for payment procedure flow chart).

The individual will continue to make regular payments as required by their agreement with their respective lending institution. In the event that an individual pays the entirety of their outstanding student loan balance prior to receiving payment through the Rural Opportunity Zone program, the payment will be made to the individual.

HOW TO APPLY FOR ROZ BENEFITS

Applications for ROZ benefits are accepted through the Kansas Department of Commerce Rural Opportunity Zone website. Complete the ROZ application form in its entirety and submit any requested supplementary documents.

(See Attachment B for application process flow chart).

The supplementary documents will be used to verify the application. Documents requested may include one or more of the following:
- Lease or ownership documents for home or living quarters *(this is required)*.
- Vehicle registration.
- Admission to a licensed practicing profession in Kansas.
- Acceptance or an offer of permanent employment.
- Kansas driver's license.
- Proof of voter registration.

TECHNICAL ASSISTANCE

Normal office hours are 8 a.m. to 5 p.m. Questions will be handled by telephone as scheduling allows. Questions may also be submitted by e-mail to roz@kansascommerce.com. Every effort will be made to return calls and respond to e-mails in a timely manner.

For questions regarding completion of the ***Kansas Rural Opportunity Zone Application form***, call the Business and Community Development Division at the Kansas Department of Commerce at (785) 296-5298. The mailing address is 1000 S.W. Jackson St., Suite 100, Topeka, KS 66612-1354.

For questions ***regarding tax issues or the completion of the appropriate tax forms***, contact the Kansas Department of Revenue, Taxpayer Assistance Bureau at (785) 296-3070. Its mailing address is Kansas Department of Revenue, Taxpayer Assistance Bureau, P.O. Box 12001, Topeka, KS 66612-2001.

Attachment A: Annual Student Loan Payment Flow Chart

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│ Funding  │
│ Partners │
└──────────┘
            ↘
              ┌──────────┐     ┌──────────┐     ┌────────────┐     ┌─────────────┐
              │  County  │ ──→ │  State   │ ──→ │ Individual │ ──→ │  Lending    │
              │          │     │          │     │            │     │ Institution │
              └──────────┘     └──────────┘     └────────────┘     └─────────────┘
            ↗
┌──────────┐
│ Funding  │
│ Partners │
└──────────┘
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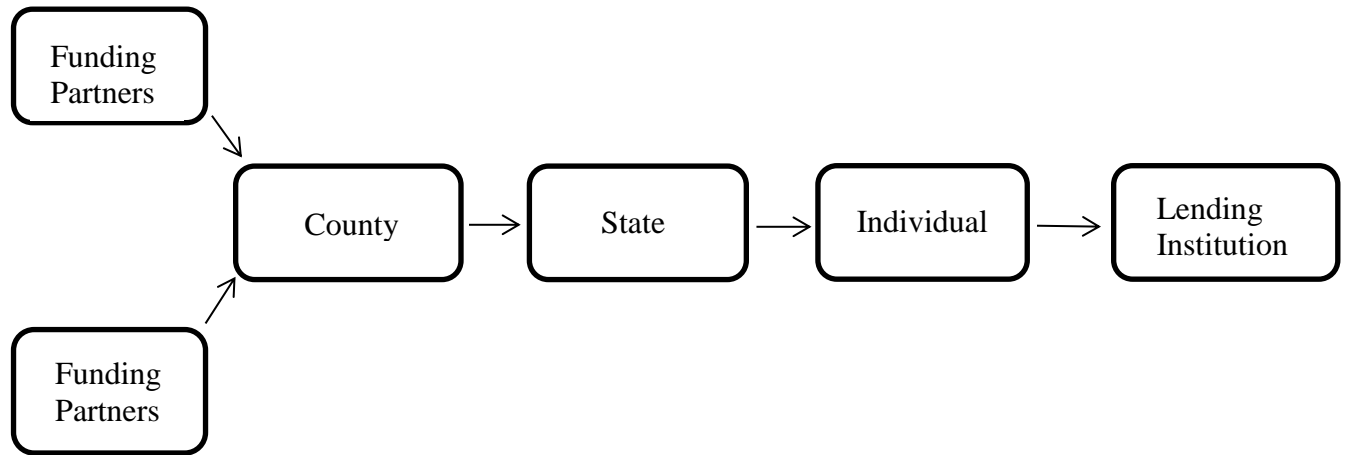
Attachment B: ROZ Application Flow Chart

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                              │  County  │
                              └────┬─────┘
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                                   ▼
┌────────────┐   ┌──────────┐   ┌─────────────┐   ┌──────────┐   ┌──────────────────┐
│ Individual │──▶│  State   │──▶│ Eligibility │──▶│  State   │──▶│ Final Eligibility│
└────────────┘   └────┬─────┘   │ Determined  │   └──────────┘   │ Determined       │
                      │         └─────────────┘        ▲         └──────────────────┘
                      ▼                                 │
                 ┌──────────┐              ┌────────────┐
                 │  County  │              │ Individual │
                 └──────────┘              └────────────┘
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